

**Project title:** An ORDINANCE Relating to Exempting Park Impact Fees for Low-Income Housing, AMENDING Chapter 19.52 of the Everett Municipal Code.

**Council Bill #** *interoffice use*  
CB 2304 – 28

**Agenda dates requested:**  
*Dates requested for council action*

Briefing 4/19/2023  
Proposed action 4/26/2023  
Consent  
Action  
Ordinance 5/3/2023  
Public hearing 5/3/2023  
X Yes No

**Budget amendment:**  
Yes X No

**PowerPoint presentation:**  
X Yes No

**Attachments:**  
Ordinance  
Housing Development  
Incentives Report (See CB  
2304-26 supporting  
documents)

**Department(s) involved:**  
Planning

**Contact person:**  
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**Initialed by:**

Department head

Administration

Council President

**Project:** Housing Development Incentives Program - Park Impact Fee Exemption for Low Income housing projects

**Partner/Supplier :** NA

**Location:** Citywide

**Preceding action:** Housing Development Incentives Program WA State Department of Commerce Grant approval

**Fund:** Park Impact Fee fund

**Fiscal summary statement:**

This ordinance would authorize partial exemptions or exemptions of park impact fees for low-income housing. Exemptions would result in up to 80% of the project's park impact fee revenue foregone. Any amount beyond 80% of an impact fee exempted must be backfilled by other public funds.

Park impact fees per unit for 2023 for new housing development are:

1 bedroom and studios	\$1,060
2 bedrooms	\$2,120
3 bedrooms or more	\$3,180

**Project summary statement:**

To implement several actions in the city's housing action plan ("[Rethink Housing](#)"), the city secured a grant from the [Dept. of Commerce](#) for housing action plan implementation. The work program included a study and report on housing incentives currently in use by the city and potential new ones. This ordinance implements recommendations from [Rethink Housing](#), the [Housing Development Incentive Program report](#), and state [MFTE guidance](#).

The park impact fee exemption supports affordable housing for the city's low-income (less than 80% of Snohomish County's Area Median Income) households. This ordinance, which amends Everett Municipal Code [19.53.110](#), is based on RCW [82.02.060](#) and existing exemptions for low-income housing for traffic (EMC [19.51.145](#) and EMC [19.50.065](#)) and school (EMC [19.52.060](#)) impact fees. Exemptions will be administered consistent with RCW [36.70A.540](#).

**Recommendation (exact action requested of Council):**

Adopt an ordinance relating to exempting park impact fees for low-income housing, amending Chapter 19.52 of the Everett Municipal Code.





**ORDINANCE NO. \_\_\_\_\_**

**An ORDINANCE Relating to Exempting Park Impact Fees for Low-Income Housing, AMENDING Chapter 19.52 of the Everett Municipal Code**

**WHEREAS,**

- A.** Everett, along with the Puget Sound Region, is experiencing a housing availability and affordability crisis; Census estimates (American Community Survey Table S2503 for 2021) indicate widespread housing cost burden in the city:
  - 1. 42% of the city's households pay more than 30% of their income for housing costs;
  - 2. 77% of the city's below median income renter households pay more than 30% of their income for housing costs; and
- B.** The city's comprehensive plan includes the following policies and implementation measures that are supportive of this ordinance:
  - 1. The goal of the Housing Element is to provide sufficient housing opportunities to meet the needs of present and future residents of Everett for housing that is decent, safe, accessible, attractive and affordable. (Housing Goal 4.0)
  - 2. Consider providing additional incentives to housing developers and homebuilders in return for providing housing that is affordable to lower and moderate-income households. (Housing Policy 4.3.1)
- C.** The City Council adopted the Rethink Housing Action Plan on October 7, 2021 specifying short-term implementation strategy as follows:
  - 1. Action S-5. Coordinate a Development Incentives Study to provide guidance on changes and initial incentives for affordable housing construction and preservation
  - 2. Recommendation 2.2: Provide a detailed economic study of potential incentives in urban corridors
  - 3. Recommendation 4.2: Create financial assistance programs for affordable housing preservation
  - 4. Recommendation 4.4: Expand fee waivers for affordable housing



5. Recommendation 4.6: Review and update the Multifamily Tax Exemption (MFTE) program
  6. Recommendation 4.7: Review and update development height incentives program for affordable housing units; and
- D. The city commissioned a housing development incentives study and report, which includes an economic analysis that suggests fee waivers and exemptions would be effective incentives for affordable housing construction; and
  - E. RCW 82.02.060(4) authorizes the city to provide an exemption of not more than eighty percent of impact fees for low-income housing with no explicit requirement to pay the exempted portion of the fee from public funds; and
  - F. RCW 82.02.060(4)(a) authorizes the city to provide for an exemption of not more than eighty percent of impact fees for low-income housing if it is conditioned to require the developer to record a covenant that prohibits use of the property for any purpose other than for low-income housing; and
  - G. The proposed ordinance requires the recording of covenants for any impact fee exemption approved for low-income housing; and
  - H. The city council has previously approved such exemptions for low-income housing projects, small projects impact fees, and school impact fees; and
  - I. This ordinance is categorically exempt from the State Environmental Policy Act under WAC 197-11-800(14) and (19); and
  - J. The code amendments meet the applicable criteria in EMC 15.03.300(C)(4); and
  - K. The public health, safety and welfare will be provided for by these unified development code amendments; and
  - L. The proposed amendment bears a substantial relation to public health, safety or welfare; and
  - M. The proposed amendments promote the best long-term interest of the Everett community
  - N. On \_\_\_\_\_, 2023, the Everett City Council held a public hearing, after proper notice, and considered public comment and the entire record related to this ordinance; and

**NOW, THEREFORE, THE CITY OF EVERETT DOES ORDAIN:**

**Section 1.** Section EMC 19.53.110 is hereby amended as follows, with strikeout text deleted and underlined text added:

**19.53.110 Exemptions.**

- A. The parks impact fees are generated from the formula for calculating the fees as set forth in this chapter. The amount of the impact fees is determined by the information contained in the adopted parks master plan and related documents, as appended to the city's comprehensive

plan. All development activity located within the city shall be charged a parks impact fee; provided, that the following exemptions shall apply.

B. The following shall be exempt from parks impact fees:

1. Replacement of a structure with a new structure having the same use, at the same site, and with the same gross floor area, when a complete building permit application is filed within one year of demolition or destruction of the previous structure.
2. Alteration, expansion, or remodeling of an existing dwelling or structure where no new units or gross commercial floor area are created and the use is not changed.
3. Construction of nonhabitable accessory residential structures.
4. Miscellaneous improvements including, but not limited to, fences, walls, swimming pools, parking, and signs that do not create an increase in demand for parks services.
5. Demolition of or moving an existing structure within the city from one site to another.
6. Colleges, schools, and government facilities.
7. Parks impact fees for the construction of early learning facilities may be reduced at the discretion of the director when requested by the property owner in writing prior to permit submittal and subject to the following criteria:

a. Submittal of a written request to the director specifying the facility policy for minimum enrolled percent of children and families that qualify for state subsidized child care;

b. Early learning facility fee reduction table.

Percent of Children and Families Using the Facility that Qualify for State Subsidized Child Care	Fee Reduction
25%	100%

c. The developer must record a covenant per RCW 82.02.060(4)(c) that prohibits using the property for any purpose other than for early childhood education and assistance at the original income limits for a period of at least ten years. At a minimum, the covenant must address price restrictions and household income limits for the low-income housing and that if the property is converted to a use other than low income housing within ten years, the property owner must pay the city the applicable impact fees in effect at the time of conversion.

d. Should the early learning facility fail to achieve the required percentage of children and families qualified for state subsidized child care using the early learning facility at any point during a calendar year, the property owner is responsible for paying twenty percent of the impact fee that would have been



imposed on the development without exemption. Payment must be made within ninety days of city notification to the property owner. Any balance remaining thereafter shall be a lien on the property as described in EMC 19.53.120(F).

e. Should the property be converted to a use other than an early learning facility, the property owner is responsible for paying the applicable parks impact fee in effect at the time of the use conversion.

8. Change of use that has less impact than the existing use shall not be assessed a parks impact fee.

9. A fee payer required to pay for system improvements pursuant to RCW 43.21C.060 shall not be required to pay an impact fee for the same improvements under this chapter.

€10. The city council may, on a case-by-case basis, grant exemptions to the application of the fee schedule for low-income housing in accordance with the conditions specified under RCW 82.02.060(4). To qualify for the exemption, the project applicant shall submit a petition on a form provided by the city to the planning and community development director for consideration by the council prior to application for a building permit. Conditions for such approval shall meet the requirements of RCW 82.02.060(4) and include a requirement for a covenant to assure the project's continued use for low-income housing. The covenant shall be an obligation that runs with the land upon which the housing is located and shall be recorded against the title of the real property.

D. The city may, on a case-by-case basis, grant a partial exemption of not more than eighty percent of park impact fees, with no explicit requirement to pay the exempted portion of the fee from public funds, for low-income housing units, pursuant to the following:

1. Fee exemptions shall only be available to low-income multi-family housing units serving households earning at or below sixty percent of area median income for Snohomish County as established by the United States Department of Housing and Urban Development.

2. The mayor, or designee, may grant a fee exemption.

3. The decision to grant, partially grant or deny an exemption shall be based on:

a. The public benefit of the specific project;

b. The extent to which the applicant has sought other funding sources;

c. The financial hardship to the project of paying the impact fees;

d. The impacts of the project on the park facilities and services; and

e. The consistency of the project with adopted city plans and policies related to low-income housing.

4. An exemption granted under this subsection must be conditioned upon requiring the applicant to record a covenant approved by the director of planning and community development that prohibits using the property for any purpose other than for low-income housing. At a minimum, the covenant must address price restrictions and household income limits for the low-income housing, and require that, if the property is converted to a use other than for low-income housing as defined in the covenant, the property owner must pay the applicable impact fees in effect at the time of any conversion. Covenants required by this subsection must be recorded with the Snohomish County auditor.

**Section 2.** The following is provided for reference and may not be complete:

EMC Amended/Repealed by this Ordinance	Ordinance History of EMC Amended/Repealed by this Ordinance
EMC 19.53.110	(Ord. 3830-21 § 3, 2021.)

**Section 3.** The City Clerk and the codifiers of this Ordinance are authorized to make necessary corrections to this Ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers, and any internal references.

**Section 4.** The City Council hereby declares that should any section, paragraph, sentence, clause or phrase of this ordinance be declared invalid for any reason, it is the intent of the City Council that it would have passed all portions of this ordinance independent of the elimination of any such portion as may be declared invalid.

**Section 5.** The enactment of this Ordinance shall not affect any case, proceeding, appeal or other matter currently pending in any court or in any way modify any right or liability, civil or criminal, which may be in existence on the effective date of this Ordinance.

**Section 6.** It is expressly the purpose of this Ordinance to provide for and promote the health, safety and welfare of the general public and not to create or otherwise establish or designate any particular class or group of persons who will or should be especially protected or benefited by the terms of this Ordinance. It is the specific intent of this Ordinance that no provision or any term used in this Ordinance is intended to impose any duty whatsoever upon the City or any of its officers or employees. Nothing contained in this Ordinance is intended nor shall be construed to create or form the basis of any liability on the part of the City, or its officers, employees or agents, for any injury or damage resulting from any action or inaction on the part of the City related in any manner to the enforcement of this Ordinance by its officers, employees or agents.

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Cassie Franklin, Mayor

ATTEST:

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CITY CLERK

Passed: \_\_\_\_\_

Valid: \_\_\_\_\_

Published: \_\_\_\_\_

Effective Date: \_\_\_\_\_